

# EXHIBIT A

EXHIBIT "A"

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TEGA CAY WATER SERVICE, INC.

SCHEDULE OF PROPOSED RATES AND CHARGES

I. WATER

1. CHARGE FOR WATER DISTRIBUTION ONLY

Where water is purchased from a government body or agency or other entity for distribution by the Company, the following rates apply:

Residential

Base Facilities Charge per single family house, condominium, mobile home or apartment unit:

**\$11.85 per unit\***

Commodity charge:

**\$2.75 per 1,000 gallons or 134 cft**

\*Residential customers with meters of 1" or larger will be charged commercial rate

Commercial

Base Facilities Charge

**\$11.85 per single family equivalent (SFE)**

Commodity Charge:

**\$2.75 per 1,000 gallons or 134 cft**

The Utility will also charge for the cost of water purchased from the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing the water supply will be charged to the Utility's affected customers on a pro rata basis without markup. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.



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Commercial customers are those not included in the residential category above and include, but are not limited to hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

### 2. Nonrecurring Charges

Tap Fees	\$600.00 per SFE*
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### 3. Account Set-Up, Reconnection Charges

a. Customer Account Charge - for new customers only	\$30.00
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b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of **forty (\$40.00) dollars** shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.

### 4. Other Services

Fire Hydrant -	\$135.48 per hydrant
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per year for water service payable in advance.

### 5. Billing Cycle/Late Payment

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided. Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half (1.5%) percent for each month or any part of a month that said payment remains unpaid.

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### 6. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service, unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

### 7. Cross Connection Inspection Fee

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F (Supp. 2008), as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F (Supp. 2008), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later than June 30th of each year. If a customer fails to comply with the requirement to perform annual inspections, the Utility may, after 30 days' written notice, disconnect water service. The Utility will provide customers a 30-day advance written notice of the recurring annual date when the customer must have their backflow prevention device tested by a licensed, certified tester.

### 8. Electronic Billing and Electronic Payment

If requested by the customer in writing and within the capability of the Utility, the Utility may, in lieu of mailing a paper copy, provide an electronic bill to the customer on the Utility's website. The electronic bill shall contain the same content and be presented in the same or a similar format as a bill delivered to the customer pursuant to Commission Rule R. 103-732.2 (Supp. 2008) as may be amended from time to time. The Utility will provide customers a monthly electronic notice via email of the bill statement availability and the web address of its location to those customers selecting to receive bills electronically.

\*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory

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**Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2005), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.**



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### II. SEWER

#### 1. Monthly Charges

Residential - charge per single-family house, condominium, villa, mobile home or apartment unit:

**\$65.19 per unit**

Commercial:

**\$65.19 per SFE\***

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

#### 2. Nonrecurring Charges

Tap Fees (which includes sewer service connection charges and capacity charges)

**\$1,200.00 per SFE\***

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

#### 3. Notification, Account Set-Up and Reconnection Charges

##### a. Notification Fee

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A fee of **fifteen (\$15.00) dollars** shall be charged each customer to whom the Utility mails the notice as required by the Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

b. **Customer Account Charge - for new customers only.**

A fee of **twenty-five (\$25.00) dollars** shall be charged as a one-time fee to defray the costs of initiating service. This charge will be waived if the customer is also a water customer.

c. **Reconnection Charges:** In addition to any other charges that may be due, a reconnection fee of **two hundred fifty (\$250.00) dollars** shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4.

4. **Billing Cycle**

Recurring charges will be billed monthly, in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. **Extension of Utility Service Lines and Mains**

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point, to pay the appropriate fees and charges set forth in this rate schedule and to comply with the guidelines and standards hereof, shall not be denied service, unless treatment capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving sewer system. In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

6. **Toxic and Pretreatment Effluent Guidelines**

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties

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subject to 40 CFR 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

### 7. Electronic Billing and Electronic Payment

If requested by the customer in writing and within the capability of the Utility, the Utility may, in lieu of mailing a paper copy, provide an electronic bill to the customer on the Utility's website. The electronic bill shall contain the same content and be presented in the same or a similar format as a bill delivered to the customer pursuant to Commission Rule R. 103-532.1 (Supp. 2008) as may be amended from time to time. The Utility will provide customers a monthly electronic notice via email of the bill statement availability and the web address of its location to those customers selecting to receive bills electronically.

\*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loading for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2005), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.



# **EXHIBIT B**

**Schedule A**  
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\*Note - The balance sheet reflects the total assets, liabilities, and equity of Tega Clay Water Service, Inc.

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	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<b>Operating Revenues</b>					
Service Revenues - Water	\$ 300,139	\$ 20,676	\$ 413,815	\$ 123,264	\$ 536,978
Service Revenues - Sewer	814,122	2,388	816,510	545,830	1,362,341
Miscellaneous Revenues	34,997	-	34,997	-	34,997
Uncollectible Accounts	(5,869)	(164)	(6,033)	(2,876)	(8,909)
<b>Total Operating Revenues</b>	<b>\$ 1,239,388</b>	<b>\$ 22,900</b>	<b>\$ 1,259,289</b>	<b>\$ 665,318</b>	<b>\$ 1,924,807</b>
<b>Maintenance Expenses</b>					
Salaries and Wages	\$ 161,519	\$ 6,569	\$ 168,088	\$ -	\$ 168,088
Purchased Power	65,506	-	65,506	-	65,506
Purchased Sewer & Water	(2,508)	2,508	-	-	-
Maintenance and Repair	277,714	-	277,714	-	277,714
Maintenance Testing	9,279	-	9,279	-	9,279
Meter Reading	13,238	-	13,238	-	13,238
Chemicals	54,891	-	54,891	-	54,891
Transportation	40,482	-	40,482	-	40,482
Operating Exp. Charged to Plant	(97,090)	-	(97,090)	-	(97,090)
<b>Total</b>	<b>\$ 523,091</b>	<b>\$ 9,078</b>	<b>\$ 532,169</b>	<b>\$ -</b>	<b>\$ 532,169</b>
<b>General Expenses</b>					
Salaries and Wages	\$ 91,697	\$ (402)	\$ 91,295	\$ -	\$ 91,295
Office Supplies & Other Office Exp.	113,431	(60,001)	53,430	-	53,430
Regulatory Commission Exp.	61,170	22,554	83,724	-	83,724
Pension & Other Benefits	57,724	3,048	60,782	-	60,782
Rent	381	-	381	-	381
Insurance	28,953	-	28,953	-	28,953
Office Utilities	42,111	-	42,111	-	42,111
Outside Services - Other	7,727	-	7,727	-	7,727
Miscellaneous	9,456	28,481	38,007	-	38,007
<b>Total</b>	<b>\$ 412,731</b>	<b>\$ (6,221)</b>	<b>\$ 406,410</b>	<b>\$ -</b>	<b>\$ 406,410</b>
<b>Depreciation</b>					
Amortization of CIAC	\$ 259,474	\$ 83,344	\$ 342,818	\$ -	\$ 342,818
Taxes Other Than Income	(130,432)	(40)	(130,472)	-	(130,472)
Income Taxes - Federal	194,889	671	195,560	6,684	202,244
Income Taxes - State	152,855	(234,096)	(81,241)	219,066	137,821
	23,487	(35,802)	(12,317)	32,942	20,725
<b>Total</b>	<b>\$ 500,372</b>	<b>\$ (185,924)</b>	<b>\$ 314,447</b>	<b>\$ 258,688</b>	<b>\$ 573,135</b>
<b>Total Operating Expenses</b>	<b>\$ 1,476,193</b>	<b>\$ (183,168)</b>	<b>\$ 1,293,026</b>	<b>\$ 298,088</b>	<b>\$ 1,591,714</b>
<b>Net Operating Income</b>	<b>\$ (199,805)</b>	<b>\$ 206,068</b>	<b>\$ 6,263</b>	<b>\$ 406,830</b>	<b>\$ 413,093</b>
<b>Interest During Construction</b>	<b>\$ (19,663)</b>	<b>\$ 19,663</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Interest on Debt</b>	<b>\$ 774,059</b>	<b>\$ (16,920)</b>	<b>\$ 157,139</b>	<b>\$ -</b>	<b>\$ 157,139</b>
<b>Net Income</b>	<b>\$ (764,201)</b>	<b>\$ 200,235</b>	<b>\$ (150,876)</b>	<b>\$ 406,830</b>	<b>\$ 255,954</b>



Operating Revenues						
	Per Boats	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed	
Service Revenues - Water	\$ 393,139	\$ 20,676	\$ 413,815	\$ 122,664	\$536,378	
Service Revenues - Sewer	-	-	-	-	-	
Miscellaneous Revenues	17,607	-	17,607	-	17,607	
Uncollectible Accounts	(2,953)	(155)	(3,108)	(921)	(4,029)	
Total Operating Revenues	\$ 407,793	\$ 20,521	\$ 428,314	\$ 121,643	\$ 549,957	
Maintenance Expenses						
Salaries and Wages	\$ 81,260	\$ 3,307	\$ 84,567	\$ -	\$ 84,567	
Purchased Power	3,016	-	3,016	-	3,016	
Purchased Water	(2,908)	2,908	-	-	-	
Maintenance and Repair	29,617	-	29,617	-	29,617	
Maintenance Testing	1,831	-	1,831	-	1,831	
Meter Reading	6,660	-	6,660	-	6,660	
Chemicals	27,616	-	27,616	-	27,616	
Transportation	20,366	-	20,366	-	20,366	
Operating Exp. Charged to Plant	(48,816)	-	(48,816)	-	(48,816)	
Total	\$ 119,042	\$ 5,815	\$ 124,856	\$ -	\$ 124,856	
General Expenses						
Salaries and Wages	\$ 46,133	(201)	\$ 45,932	\$ -	\$ 45,932	
Office Supplies & Other Office Exp.	26,881	-	26,881	-	26,881	
Regulatory Commission Exp.	30,775	11,348	42,122	-	42,122	
Pension & Other Benefits	29,046	1,534	30,580	-	30,580	
Rent	192	-	192	-	192	
Insurance	14,566	-	14,566	-	14,566	
Office Utilities	21,186	-	21,186	-	21,186	
Outside Services	3,887	-	3,887	-	3,887	
Miscellaneous	4,792	28,481	33,273	-	33,273	
Total	\$ 177,458	\$ 41,161	\$ 218,619	\$ -	\$ 218,619	
Depreciation						
Amortization of CIAC	\$ 69,347	\$ 23,539	\$ 92,886	\$ -	\$ 92,886	
Taxes Other Than Income	(32,354)	(13)	(32,368)	-	(32,368)	
Income Taxes - Federal	98,049	338	98,386	1,226	99,612	
Income Taxes - State	76,901	(105,814)	(28,913)	40,009	11,096	
Income Taxes - State	11,866	(16,214)	(4,348)	6,021	1,673	
Total	\$ 224,009	\$ (98,145)	\$ 125,864	\$ 47,285	\$ 173,149	
Total Operating Expenses	\$ 520,509	\$ (51,109)	\$ 469,399	\$ 47,285	\$ 516,685	
Net Operating Income	\$ (112,716)	\$ 71,690	\$ (41,026)	\$ 74,358	\$ 33,332	
Interest During Construction	\$ (9,893)	\$ 9,893	\$ -	\$ -	\$ -	
Interest on Debt	87,569	(74,900)	12,670	-	12,670	
Net Income	\$ (190,192)	\$ 136,697	\$ (53,493)	\$ 74,358	\$ 20,663	

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<b>Operating Revenues</b>					
Service Revenues - Water	\$ -	\$ -	\$ -	\$ -	\$ -
Service Revenues - Sewer	814,122	2,388 [a]	816,510	545,830	1,362,341
Miscellaneous Revenues	17,390	-	17,390	-	17,390
Uncollectible Accounts	(2,916)	(c) [b]	(2,924)	(1,953)	(4,880)
<b>Total Operating Revenues</b>	<b>\$ 828,596</b>	<b>\$ 2,380</b>	<b>\$ 830,975</b>	<b>\$ 543,877</b>	<b>\$ 1,374,850</b>
<b>Maintenance Expenses</b>					
Salaries and Wages	\$ 80,259	\$ 3,263 [c]	\$ 83,521	\$ -	\$ 83,521
Purchased Power	62,490	-	62,490	-	62,490
Purchased Sewer	-	-	-	-	-
Maintenance and Repair	248,097	-	248,097	-	248,097
Maintenance Testing	7,449	-	7,449	-	7,449
Meter Reading	6,578	-	6,578	-	6,578
Chemicals	27,276	-	27,276	-	27,276
Transportation	20,115	-	20,115	-	20,115
Operating Exp. Charged to Plant	(48,214)	-	(48,214)	-	(48,214)
<b>Total</b>	<b>\$ 404,049</b>	<b>\$ 3,263</b>	<b>\$ 407,312</b>	<b>\$ -</b>	<b>\$ 407,312</b>
<b>General Expenses</b>					
Salaries and Wages	\$ 45,044	(200) [c]	\$ 45,244	\$ -	\$ 45,244
Office Supplies & Other Office Exp.	86,551	(60,001) [b]	26,549	-	26,549
Regulatory Commission Exp.	30,996	11,206 [c]	41,602	-	41,602
Pension & Other Benefits	28,688	1,514 [c]	30,202	-	30,202
Rent	189	-	189	-	189
Insurance	14,387	-	14,387	-	14,387
Office Utilities	20,925	-	20,925	-	20,925
Outside Services	3,839	-	3,839	-	3,839
Miscellaneous	4,723	-	4,723	-	4,723
<b>Total</b>	<b>\$ 205,272</b>	<b>\$ (47,482)</b>	<b>\$ 157,791</b>	<b>\$ -</b>	<b>\$ 157,791</b>
<b>Depreciation</b>					
Amortization of CIAC	\$ 189,927	\$ 59,785 [f]	\$ 249,712	\$ -	\$ 249,712
Taxes Other Than Income	(98,078)	(27) [m]	(98,105)	-	(98,105)
Income Taxes - Federal	96,840	333 [a]	97,174	5,458 [h]	102,632
Income Taxes - State	75,954	(128,282) [b]	(52,328)	179,024 [i]	126,696
	11,720	(19,589) [h]	(7,869)	26,921 [i]	19,052
<b>Total</b>	<b>\$ 276,461</b>	<b>\$ (37,790)</b>	<b>\$ 188,594</b>	<b>\$ 211,403</b>	<b>\$ 399,998</b>
<b>Total Operating Expenses</b>	<b>\$ 915,685</b>	<b>\$ (131,993)</b>	<b>\$ 783,686</b>	<b>\$ 211,403</b>	<b>\$ 995,089</b>
<b>Net Operating Income</b>	<b>\$ (87,089)</b>	<b>\$ 134,578</b>	<b>\$ 47,289</b>	<b>\$ 332,472</b>	<b>\$ 379,761</b>
<b>Interest During Construction</b>	<b>\$ (9,771)</b>	<b>\$ 9,771 [f]</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Interest on Debt</b>	<b>\$ 86,499</b>	<b>\$ 67,080 [j]</b>	<b>\$ 144,470</b>	<b>\$ -</b>	<b>\$ 144,470</b>
<b>Net Income</b>	<b>\$ (16,361)</b>	<b>\$ 66,658</b>	<b>\$ (97,181)</b>	<b>\$ 332,472</b>	<b>\$ 285,292</b>

- [a] Revenues are adjusted to tie to consumption data at current rates.
- [b] Uncollectibles are adjusted at test year percentages for annualized revenues.
- [c] Salaries, wages and benefits are adjusted for annualization for employees working at or for Tega City as of current. In addition, salaries, wages, and benefits have been adjusted for the cost of living increase occurring early in 2013.
- [d] Purchased Water is zeroed out for rate making purposes.
- [e] Regulatory expense has been adjusted for the total estimated cost of this case and the unamortized portion of the prior case, amortized over three years.
- [f] Depreciation and amortization expense are annualized to reflect actual and estimated pro forma plant and general ledger additions.
- [g] Taxes other than income are adjusted to annualize gross receipts, utility or communication taxes, and franchise taxes at present and proposed revenues. Taxes other than income also includes payroll taxes adjusted for the estimated salary increase.
- [h] Income taxes are computed on taxable income at current rates.
- [i] AFUDC is eliminated for rate making purposes.
- [j] Interest on debt has been computed using a 50.25%/49.75% debt/equity ratio and a 6.60% cost of debt.
- [k] The adjustment removes items that are not usually not recoverable in rate proceedings.
- [l] Projected expense amounts associated with the Leak Mitigation Program.
- [m] Amortization expense adjusted to reflect 1.5% as required.



**Tega Cay Water Service, Inc.**  
**Combined Operations**  
**Rate Base and Rate of Return**  
**December 31, 2011**

**Schedule C**  
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	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
<b>Net Operating Income</b>	<b>\$ (199,805)</b>	<b>\$ 206,068</b>	<b>\$ 6,263</b>	<b>\$ 406,830</b>	<b>\$ 413,093</b>
Gross Plant In Service	\$ 14,611,963	\$ (69,805) [a]	\$ 14,542,159	\$ -	\$ 14,542,159
Accumulated Depreciation	(4,409,030)	49,146 [b]	(4,359,884)	-	(4,359,884)
Net Plant In Service	10,202,933	(20,658) [c]	10,182,274	-	10,182,274
Cash Working Capital	141,339	1,264	142,603	-	142,603
Contributions In Aid of Construction	(5,864,366)	-	(5,864,366)	-	(5,864,366)
Accumulated Deferred Income Taxes	(872,937)	-	(872,937)	-	(872,937)
Customer Deposits	(35,847)	-	(35,847)	-	(35,847)
General Ledger Additions	-	234,820 [d]	234,820	-	234,820
Pro Forma Plant	-	1,076,623 [d]	1,076,623	-	1,076,623
Pro Forma Plant Retirements	-	(127,725) [d]	(127,725)	-	(127,725)
<b>Total Rate Base</b>	<b>\$ 3,571,121</b>	<b>\$ 1,164,324</b>	<b>\$ 4,735,445</b>	<b>\$ -</b>	<b>\$ 4,735,445</b>
<b>Return on Rate Base</b>	<b>-5.60% [c]</b>	<b>0.13% [e]</b>	<b>8.72%</b>		

**Tega Cay Water Service, Inc.**  
**Water Operations**  
**Rate Base and Rate of Return**  
**December 31, 2011**

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ (112,716)	\$ 71,690	\$ (41,026)	\$ 74,358	\$ 33,332
Gross Plant In Service	\$ 3,265,714	\$ (44,975) [a]	\$ 3,220,739	\$ -	\$ 3,220,739
Accumulated Depreciation	(1,060,134)	33,605 [b]	(1,026,529)	-	(1,026,529)
Net Plant In Service	2,205,580	(11,370) [c]	2,194,210	-	2,194,210
Cash Working Capital	49,319	6,067	55,386	-	55,386
Contributions In Aid of Construction	(1,463,106)	-	(1,463,106)	-	(1,463,106)
Accumulated Deferred Income Taxes	(439,175)	-	(439,175)	-	(439,175)
Customer Deposits	(18,712)	-	(18,712)	-	(18,712)
General Ledger Additions	-	53,198 [d]	53,198	-	53,198
Pro Forma Plant	-	- [d]	-	-	-
Pro Forma Plant Retirements	-	- [d]	-	-	-
Total Rate Base	\$ 333,906	\$ 47,895	\$ 381,801	\$ -	\$ 381,801
Return on Rate Base	-33.76% [c]	-10.75% [c]	8.73%		

Object Account	NARUC Account	Account Description	Balance at 12/31/11
1020	301.1	ORGANIZATION	125,040
1025	302.1	FRANCHISES	9,375
1030	303.2	LAND & LAND RIGHTS PUMP	-
1045	303.5	LAND & LAND RIGHTS GEN PL	3,083
1050	304.2	STRUCT & IMPRV SRC SUPPLY	71,906
1055	304.3	STRUCT & IMPRV WTR TRT PL	10,974
1060	304.4	STRUCT & IMPRV WTR TRAN DIST	-
1065	304.5	STRUCT & IMPRV GEN PLT	-
1080	307.2	WELLS & SPRINGS	825
1090	309.2	SUPPLY MAINS	17,511
1100	311.2	ELECTRIC PUMP EQUIP SRC P	-
1105	311.3	ELECTRIC PUMP EQUIP WTP	20,231
1110	311.2	ELECTRIC PUMP EQUIP SRC P	49
1115	320.3	WATER TREATMENT EQPT	59,903
1120	330.4	DIST RESV & STANDPIPES	248,668
1125	331.4	TRANS & DISTR MAINS	1,433,786
1130	333.4	SERVICE LINES	593,028
1135	334.4	MEETERS	33,544
1140	334.4	METER INSTALLATIONS	101,841
1145	335.4	HYDRANTS	87,628
1150	336.4	BACKFLOW PREVENTION DEVIC	969
1155	339.1	OTH PLT&MISC EQUIP INTANG	-
1165	339.3	OTH PLT&MISC EQUIP WTP	-
1170	339.4	OTH PLT&MISC EQUIP TRANS	-
1175/1455	304.5/354.7	OFFICE STRUCT & IMPRV	20,466
1180/1460	340.5/390.7	OFFICE FURN & EQPT	33,947
1185/1465	342.5/392.7	STORES EQPT	503
1190/1470	343.5/393.7	TOOL SHOP & MISC EQPT	38,664
1195/1475	344.5/394.7	LABORATORY EQUIPMENT	8,897
1200/1485	345.5/395.7	POWER OPERATED EQUIP	1,631
1205/1490	346.5/396.7	COMMUNICATION EQPT	9,616
1210/1495	347.5/397.7	MISC EQUIPMENT	997
1555	341.5/391.7	TRANSPORTATION EQPT	92,244
1580	340.5/390.7	MAINFRAME COMPUTER	7,495
1585	340.5/390.7	MINI COMPUTERS	28,934
1590	340.5/390.7	COMP SYS COST	147,329
1595	340.5/390.7	MICRO SYS COST	4,062
2620	348.5/398.7	UTIL PLANT ACQUIRED/DISPOSED	52,569
			<u>3,265,714</u>



Tega Cay Water Service, Inc.  
Sewer Operations  
Rate Base and Rate of Return  
December 31, 2011

Schedule C  
Page 4 of 7

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ (87,089)	\$ 134,378	\$ 47,289	\$ 332,472	\$ 379,761
Gross Plant In Service	\$ 11,346,250	\$ (24,830) [a]	\$ 11,321,420	\$ -	\$ 11,321,420
Accumulated Depreciation	(3,348,897)	15,541 [b]	(3,333,356)	-	(3,333,356)
Net Plant In Service	7,997,353	(9,289) [c]	7,988,064	-	7,988,064
Cash Working Capital	92,020	(4,803)	87,217	-	87,217
Contributions In Aid of Construction	(4,401,261)	-	(4,401,261)	-	(4,401,261)
Accumulated Deferred Income Taxes	(433,763)	-	(433,763)	-	(433,763)
Customer Deposits	(17,135)	-	(17,135)	-	(17,135)
General Ledger Additions	-	181,622 [d]	181,622	-	181,622
Pro Forma Plant	-	1,076,623 [d]	1,076,623	-	1,076,623
Pro Forma Plant Retirements	-	(127,725) [d]	(127,725)	-	(127,725)
Total Rate Base	\$ 3,237,215	\$ 1,116,429	\$ 4,353,644	\$ -	\$ 4,353,644
Return on Rate Base	-2.69% [e]		1.09% [e]		8.72%

Object Account NARUC Account

Object Account	NARUC Account	Account Description	Balance at 12/31/11
1245	351.1	ORGANIZATION	119,455
1250	352.1	FRANCHISES INTANG PLT	-
1255	352.6	FRANCHISES RECLAIM WTR DI	-
1265	353.2	LAND & LAND RIGHTS COLL P	-
1270	353.4	LAND & LAND RIGHTS TRTMT	-
1275	353.5	LAND & LAND RIGHTS RECLAI	-
1280	353.6	LAND & LAND RIGHTS RCL DS	-
1285	353.7	LAND & LAND RIGHTS GEN PL	-
1290	354.2	STRUCT/IMPRV COLL PLT	8,075
1295	354.3	STRUCT/IMPRV PUMP PLT LS	416
1300	354.4	STRUCT/IMPRV RECLAIM WTP	681,363
1305	354.5	STRUCT/IMPRV TREAT PLT	246,764
1310	354.6	STRUCT/IMPRV RECLAIM WTR	-
1315	354.7	STRUCT/IMPRV GEN PLT	-
1320	355.2	POWER GEN EQUIP COLL PLT	113,698
1325	355.3	POWER GEN EQUIP PUMP PLT	-
1330	355.4	POWER GEN EQUIP TREAT PLT	-
1335	355.5	POWER GEN EQUIP RECLAIM W	11,030
1340	355.6	POWER GEN EQUIP RCL WTR D	-
1345	360.2	SEWER FORCE MAIN	-
1350	361.2	SEWER GRAVITY MAIN/MANHOL	473,911
1353	361.2	MANHOLES	5,857,538
1355	362.2	SPECIAL COLL STRUCTURES	2,132
1360	363.2	SERVICES TO CUSTOMERS	-
1365	364.2	FLOW MEASURE DEVICES	19,269
1370	365.2	FLOW MEASURE INSTALL	8,228
1375	370.3	RECEIVING WELLS	-
1380	371.3	PUMPING EQUIPMENT PUMP PL	-
1385	371.5	PUMPING EQUIPMENT RECLAIM	230,881
1390	371.6	PUMPING EQUIPMENT RCL WTR	-
1395	380.4	TREAT/DISP EQUIP LAGOON	2,003
1400	380.4	TREAT/DISP EQUIP TRT PLT	1,578
1405	380.5	TREAT/DISP EQUIP RCL WTP	2,731,473
1410	381.4	PLANT SEWERS TRTMT PLT	-
1415	381.5	PLANT SEWERS RECLAIM WTP	356,759
1420	382.4	OUTFALL LINES	-
1425	398.7	OTHER PLT TANGIBLE	3,160
1430	389.2	OTHER PLT COLLECTION	-
1435	389.3	OTHER PLT PUMP	-
1440	389.4	OTHER PLT TREATMENT	8,944
1445	389.5	OTHER PLT RECLAIM WTR TRT	2,124
1450	389.6	OTHER PLT RECLAIM WTR DIS	-
1175/1455	304.5/354.7	OFFICE STRUCT & IMPRV	-
1180/1460	340.5/390.7	OFFICE FURN & EQPT	20,214
1185/1465	342.5/392.7	STORES EQPT	33,529
1190/1470	343.5/393.7	TOOL SHOP & MISC EQPT	497
1195/1475	344.5/394.7	LABORATORY EQUIPMENT	38,188
1200/1485	345.5/395.7	POWER OPERATED EQUIP	8,787
1205/1490	346.5/396.7	COMMUNICATION EQPT	1,611
1210/1495	347.5/397.7	MISC EQUIPMENT	9,498
1495	398.7	SEWER PLANT ALLOCATED	984
1500	398.7	OTHER TANGIBLE PLT SEWER	-
1525	366.6	REUSE SERVICES	-
1530	367.6	REUSE MTR/INSTALLATIONS	-
1535	374.5	REUSE DIST RESERVOIRS	-
1540	375.6	REUSE TRANSMISSION & DIST	-
			25,608

1555	341.5/391.7	TRANSPORTATION EQPT WTR
1580	340.5/390.7	MAINFRAME COMPUTER WTR
1585	340.5/390.7	MINI COMPUTERS WTR
1590	340.5/390.7	COMP SYS COST WTR
1595	340.5/390.7	MICRO SYS COST WTR
2620	348.5/398.7	UTIL PLANT ACQUIRED/DISPOSED

	91,107
	7,402
	28,577
	145,514
	4,012
	51,921
	<u>11,346,250</u>



**Tega Cay Water Service, Inc.**  
**Explanation of Adjustments to Rate Base and Rate of Return**

**Schedule C**  
**Page 7 of 7**

- [a] Gross plant in service is adjusted to reflect adjusted vehicles, allocated by the various accurate allocation percentages for Tega Cay.
- [b] Accumulated depreciation is adjusted to reflect adjusted vehicles, allocated by the various allocation percentages for Tega Cay.
- [c] Cash working capital is calculated based on 1/8 of maintenance and general expenses, as well as taxes other than income.
- [d] A pro forma adjustment has been made to include actual/estimated pro forma plant and general ledger additions.
- [e] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

**WATER**

Bill code	Description	Consumption	Usage Charge	Units	BFC	Revenues
48501	5/8" Res Wtr.	100,076,391	\$ 2.06	20,407	\$ 8.71	\$ 383,902
48502	5/8" Commercial Wtr.	460,650	\$ 2.06	179	\$ 8.71	\$ 2,508
48505	1" Commercial Wtr.	316,420	\$ 2.06	84	\$ 8.71	\$ 1,383
48506	2" Commercial Wtr.	573,900	\$ 2.06	72	\$ 8.71	\$ 1,809
48540	Hydrant Rental	-	\$ 2.06	984	\$ 8.71	\$ 8,571
Total		101,427,361		21,726		\$ 398,174

SEWER

Bill code	Description	Consumption	Usage Charge	Units	BFC	Revenues
48521	5/8" Res. Sewer	-	\$ -	20,395	\$ 39.06	\$ 796,629
48522	5/8" Commercial Swr.	-	\$ -	83	\$ 39.06	\$ 3,242
48523	1" Commercial Swr.	-	-	24	\$ 39.06	\$ 937
48524	2" Commercial Swr.	-	-	396	\$ 39.06	\$ 15,468
Total		-		20,898		\$ 816,276



Tega Cay Water Service, Inc.  
December 31, 2011  
Revenues at Proposed Rates

WATER

Bill code	Description	Proposed		Test Year Units	Proposed BFC	Revenues
		Test Year Consumption	Usage Charge			
48501	5/8" Res Wtr.	100,076,391	\$ 2.75	20,407	\$ 11.85	\$ 517,033
48502	5/8" Commercial Wtr.	460,650	\$ 2.75	179	\$ 11.85	\$ 3,388
48505	1" Commercial Wtr.	316,420	\$ 2.75	84	\$ 11.85	\$ 1,866
48506	2" Commercial Wtr.	573,900	\$ 2.75	72	\$ 11.85	\$ 2,431
48540	Hydrant Rental	-	\$ 2.75	984	\$ 11.85	\$ 11,660
Total		101,427,361		21,726		\$ 536,378

**SEWER**

Bill code	Description	Proposed		Proposed	
		Consumption	Usage Charge	Units	Revenues
48521	5/8" Res. Sewer	-	-	20,395	\$ 65.19 1,329,550
48522	5/8" Commercial Swr.	-	-	83	\$ 65.19 5,411
48523	1" Commercial Swr.	-	-	24	\$ 65.19 1,565
48524	2" Commercial Swr.	-	-	396	\$ 65.19 25,815
Total		-	-	20,898	\$ 1,362,341

Tega Cay Water Service, Inc.  
December 31, 2011  
Customer Growth

Schedule F  
Page 1 of 1

WATER

Customers at January 1, 2011  
Customers at December 31, 2011  
Projected Customers at December 31, 2012

1,728  
1,739  
1,739

WASTEWATER

Customers at January 1, 2011  
Customers at December 31, 2011  
Projected Customers at December 31, 2012

1,707  
1,716  
1,716



**WATER**

Current	Description	Current Rate		Average		Increase		Date of Last Rate Increase
		Usage	Base	Usage	Bill	Amount	Percent	
48501	5/8" Res Wtr.	2.06	8.71	4.904	18.81			8/16/2010
48502	5/8" Commercial Wtr.	2.06	8.71	2.573	14.01			8/16/2010
48505	1" Commercial Wtr.	2.06	8.71	3.767	16.47			8/16/2010
48506	2" Commercial Wtr.	2.06	8.71	7.971	25.13			8/16/2010
48540	Hydrant Rental	2.06	8.71	-	8.71			8/16/2010

Current	Description	Current Rate		Average		Amount		Percent
		Usage	Base	Usage	Bill			
48501	5/8" Res Wtr.	2.75	11.85	4.904	25.34	\$ 6.52		34.68%
48502	5/8" Commercial Wtr.	2.75	11.85	2.573	18.93	\$ 4.92		35.68%
48505	1" Commercial Wtr.	2.75	11.85	3.767	22.21	\$ 5.74		34.85%
48506	2" Commercial Wtr.	2.75	11.85	7.971	33.77	\$ 8.64		34.38%
48540	Hydrant Rental	2.75	11.85	-	11.85	\$ 3.14		36.05%

**WASTEWATER**

Current	Description	Current Rate		Average		Increase		Date of Last Rate Increase
		Usage	Base	Usage	Bill	Amount	Percent	
48521	5/8" Res. Sewer	-	39.06	-	39.06			8/16/2010
48522	5/8" Commercial Swr.	-	39.06	-	39.06			8/16/2010
48523	1" Commercial Swr.	-	39.06	-	39.06			8/16/2010
48524	2" Commercial Swr.	-	39.06	-	39.06			8/16/2010

Current	Description	Current Rate		Average		Amount		Percent
		Usage	Base	Usage	Bill			
48501	5/8" Res. Sewer	-	65.19	-	65.19	\$ 26.13		66.00%
48502	5/8" Commercial Swr.	-	65.19	-	65.19	\$ 26.13		66.00%
48505	1" Commercial Swr.	-	65.19	-	65.19	\$ 26.13		66.00%
48506	2" Commercial Swr.	-	65.19	-	65.19	\$ 26.13		66.00%

# EXHIBIT C

BOARD:  
Allen Amsler  
Chairman  
Mark S. Lutz  
Vice Chairman



Catherine B. Templeton, Director

*Promoting and protecting the health of the public and the environment*

BOARD:  
R. Kenyon Wells  
L. Clarence Batts, Jr.  
Ann B. Kirol, DDS  
John O. Hutto, Sr., MD

July 10, 2012

Scott Elliott, Esquire  
Elliott & Elliott, P.A.  
1508 Lady Street  
Columbia, SC 29201

RE: Your letter of July 10, 2012 (PSC rate case)  
Tega Cay water/sewer systems  
SC0026751  
SC0026743  
4650005

Dear Mr. Elliott:

This letter confirms that the referenced systems have valid permits to operate per DHEC rules. I can be reached at 803-898-4157 or at [debessjp@dhec.sc.gov](mailto:debessjp@dhec.sc.gov).

Sincerely,

Jeffrey P. deBessonnet, P.E., Director  
Water Facilities Permitting Division

Cc: Harry Mathis  
Paul Wise



# EXHIBIT D



Tega Cay Water Service Inc  
 Phone: (800) 272-1919  
 Collections: (800) 272-1919  
 Customer Service: (800) 272-1919  
 www.ulwater.com

Bill Date	Account Number	Due Date	Please Pay:
09/22/2011	0000000000	10/17/2011	\$72.60

Name 000000 0000000 Primary Telephone # (000) 000-0000

Service Address 0000 00000000 00, TEGA CAY, SC, 29708

**Activity Since Last Bill**

Previous Balance	\$109.04	
Payments received as of 09/22/2011	\$-109.04	
Balance as of 09/22/2011		\$0.00

**Residential Water Service**

Water Base Charge	\$8.71	
Distribution 4,530 gallons at \$2.06 per 1,000 gallons	\$9.33	
Supply 4,530 gallons at \$3.26 per 1,000 gallons	\$14.77	
York County Base Charge	\$0.39	
SC DHEC Fee	\$0.34	
Total Residential Water Service		\$33.54

**Residential Wastewater Service**

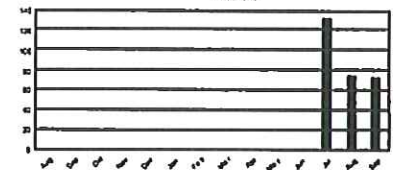
Wastewater Service	\$39.06	
Total Residential Wastewater Service		\$39.06

**Total Amount Due** \$72.60

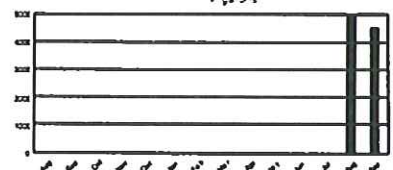
**Summary of Service**

Meter Reading	Meter #	032885948
Current	17030	09/19/2011
Previous	12500	08/17/2011
Usage	4,530 Gallons	
Number of Days:	33	
Average Daily Use:	137 Gallons	
Average Daily Cost:	\$2.20	

**Billing History**



**Consumption History**



A fee of 1.6% per month will be added if unpaid by the due date.  
 Make check payable to: Tega Cay Water Service Inc

**Messages**

The Company is under the jurisdiction of the PSC. You may contact the ORS at 800-922-1531 with any complaints that remain unresolved after 7 days.  
 This is your final bill for Utility Service at the address indicated. If you have any questions, please call the phone number listed above. Thank you.

423



PO BOX 160609  
 Altamonte Springs, FL 32716



Account Number: 0000000000

Due Date: 10/17/2011

Please Pay: \$72.60

Amount Paid

000000 0000000  
 0000 00000000 00  
 TEGA CAY, SC 29708

Tega Cay Water Service Inc  
 PO Box 11025  
 Lewiston ME 04243-9476  
 |||||

☐ Address correction requested on back



# EXHIBIT E

**SOUTH CAROLINA PUBLIC SERVICE COMMISSION**  
and  
**SOUTH CAROLINA OFFICE OF REGULATORY STAFF**  
**GROSS RECEIPTS FOR THE TWELVE (12) MONTHS ENDING JUNE 30, 2011**  
(Please correct preprinted information as required)

TEGA LAY WATER SERVICE INC.

Company Name (as shown on Certificate)

FEIN

List d/b/a and/or f/k/a aliases

2335 SANDERS RD NORTHBROOK IL 60062

Address

LENA GEORGIEV

City

847-498-6440

State

Zip Code

Regulatory Contact

Area Code & Phone Number

E-Mail

**INTRASTATE GROSS RECEIPTS**

Revenues Derived Via South Carolina Operations from:

Water Revenues

\$                     

Sewer Revenues

Electricity Revenues

Natural Gas Revenues

Railroad Revenues

Telecommunications Revenues:

ILEC (Local Exchange)

CLEC (Competitive Local Exchange)

IXC (Long Distance)

PSP (Payphone Service Provider)

Wireless (Eligible Telecommunications Carrier)

Total Revenues Derived Via South Carolina Operations

\$                     

C Ferguson  
Preparer's Signature

Date

8-10-11

Affidavit

State of IL

County of COOK

Personally appeared before me CHRIS FERGUSON who, being duly sworn, says that he/she is the TAX MANAGER of TEGA LAY WATER SERVICE INC. (Company) and that the foregoing statement, for the twelve (12) months ending June 30, 2011, is correctly taken from the books and records of said Company, and is true to the best of his/her knowledge and belief.

Sworn to and subscribed before me this 11 day of August, 2011.

Antoinette Federico

Notary Public

My commission expires

5-4-2015



Place

Seal

Here

Return completed form to:

South Carolina Office of Regulatory Staff  
Attention: Robert Sutherland  
1401 Main Street, Suite 900  
Columbia, SC 29201

Failure to timely complete and submit this form could result in the loss of your license, authority or certificate to operate in South Carolina.

**Return Deadline is August 31, 2011**



State of South Carolina  
Department of Revenue  
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

PSC UTILITY ASSESSMENT

L PDMS LOA PSCUTIL  
TEGA CAY WATER SERVICE INC  
2335 SANDERS ROAD  
NORTHBROOK, IL 60062  
ATTEN: TAX DEPT

FILE # 80690254-4  
FEI #  
PERIOD 06/12  
ISSUE DATE 06/13/12  
AMOUNT DUE \$7,648.94  
DUE DATE 07/15/12

Gross Receipts: \$  
Administration Fee: \$1,790.09  
Electric: \$0.00  
Regulated Gas: \$0.00  
Municipality Gas: \$0.00  
Telecommunications: \$0.00  
Railroads: \$0.00  
Water/Waste: \$5,858.85  
Transportation: \$0.00  
Telecommunications LEC: \$0.00  
Regulatory Staff Fee OR: \$0.00

TOTAL DUE: \$7,648.94

G/L ACCT. CODE: 14-2450

C. Ferguson / TAX MANAGER  
Authorized Signature / Title

847-498-6440  
Phone Number

7-9-12  
Date

Please attach your remittance to the enclosed copy of this notice and send it to:

SOUTH CAROLINA DEPARTMENT OF REVENUE  
LICENSE TAX OFFICE AUDIT  
(Address Above)

PHONE NUMBER: (803) 896-1970

CO. 406



## PROPOSED ASSESSMENT

**PT- 422**

(Rev. 5/4/04)  
7032

2011 Tax Year

SOUTH CAROLINA DEPARTMENT OF REVENUE  
PROPERTY DIVISION - UTILITIES  
P.O. BOX 125  
COLUMBIA, SOUTH CAROLINA 29214

Avelina Friedman  
Tega Cay Water Service, Inc.  
2335 Sanders Road  
Northbrook, IL 60062

The Department of Revenue has proposed a property tax assessment of \$ 393,300 against your company for tax year 2011.

SOUTH CAROLINA TAXABLE VALUE	\$ 3,745,685
SOUTH CAROLINA ASSESSMENT RATIO	10.5%
SOUTH CAROLINA ASSESSED VALUE	\$ 393,300

---

SEE REVERSE SIDE FOR APPEAL PROCEDURE

This demand is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US code. Although you are liable for the stated amount, such will be claimed through the bankruptcy courts.

Date of Notice: May 24, 2011

By: Taylor Ingram

Utility Assessment Coordinator  
(843) 953-8371